

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 2, 2002

LB 600

SENATOR COORDSEN: Thank you, Mr. President and members of the body. AM3448, although it's a rewrite of the bill, doesn't do very much except for two things. One, it...at the primarily result of working with the property tax administrators, clarifies some steps in an appeals process, and changes the effective date from what it is in the bill to a 2004 effective date for putting the information together at the county level with an impact on valuations in 2005. And that's what the bill does. Just a little bit of a reminder to the folks that might have forgotten the General File debate on LB 600, LB 600 is a bill that's designed to have the valuation system for agriculture and horticulture property in Nebraska follow the rest of the states as we've been able to identify that, and that is, use a system based upon the income generating capacity of the land as determined by a rather complicated system in explanation, not so complicated in application. There was quite a lot of discomfort with the printouts on this bill. Now I have to share with you this morning that unless something has happened in the last two weeks that I'm not aware of, this body is not ready to modernize the method of valuing agriculture property for the purpose of taxes. As Senator Chambers indicated, this bill does result in a shift within counties for the primary purpose. There is some concern over changes in state aid distribution which may or may not be accurate because of all of the other factors that are involved in that. For 50 years, for 50 years, the support of local government services in the rural counties of Nebraska has been shifted from those who weren't in agriculture to those people who owned agriculture property, and that's been going on gradually, which wouldn't be bad if the rest of the economy hadn't changed in the manner that it has. We have an economy, and it's reflected in the state of Nebraska's collections of sales and income tax, that is based far too heavily upon the value of the products of the state. When there are small changes, then there become...small changes in those values, they become large changes in sales and income tax revenues. This doesn't affect that. What this does do is provide a mechanism for valuing agriculture property that is...really has no different effect than that that's currently used for commercial property based upon income, and to a greater extent, although we say sales, residential property is valued